REPORT OF THE MAYOR'S TASK FORCE ON HOUSING IN OTTAWA.

SUMMARY

On January 28, 1985, the Mayor and the Council of the City of Ottawa established a Task Force on Housing. Its basic objectives were to:

- Assure a supply of affordable housing
- Obtain maximum benefits from its housing funds
- Recommend a plan of action.

While the Task Force addresses a number of housing issues, the most serious problem in Ottawa and, indeed, in the country is housing affordability. This factor presents a problem for those households whose members spend more than 30% of their income for housing. At present, 14,870 homeowners and 28,155 renters in the Ottawa-Carleton region, comprising about 22% of all households, pay more than this amount. This problem forces many people to seek help from governments.

Ottawa has a long waiting list of applicants for assisted rental units. Applicants with the most extreme housing problems require about 1600 units, while the current funding assists only 150 households per year.

Because of the rapid escalation of subsidy costs , Government funding is a most critical problem. Since the current level of subsidy per housing unit is very high, governments cannot begin to provide funding for all those in need of assistance. The current federal non-profit housing program subsidizes mortgage interest down to an effective rate of 2%. On a $50,000 housing unit, this amounts to a subsidy of $4,750 per unit per year, or about $400 per unit per month. This heavy subsidy for each year's production is cumulative. The federal subsidy bill for rental housing has grown from $300 million to a billion dollars in the last five years. This level of subsidy growth cannot be sustained, and therefore there is no hope of solving current problems by applying current solutions.

The Task Force stresses the importance of identifying policies, actions and funding concepts that are capable of solving Ottawa's housing problems with the resources available and within a reasonable period of time.

The Task Force Report demonstrates that it is possible to operate a public housing program without subsidy for many households in need, reserving deep-subsidy funds for households in the most extreme situations and for those clients with special needs.

The principal recommendation made by this Task Force relates to the fact that the federal and provincial housing programs virtually prohibit the purchase of existing rental units for publicly-assisted housing.

The basic cost of a new rental housing unit in Ottawa is about $60,000, while existing rental units can be purchased for $30,000. Simply put, the current housing programs are attempting to solve a $30,000 problem by applying a $60,000 solution.

The annual non-subsidized rent of a new housing unit demands an income of over $30,000, while the annual cost of an existing rental-housing unit without subsidy requires an income at less than $20,000.

The Task Force Report demonstrates that a housing program based on purchasing existing rental-housing units would permit the City of Ottawa to provide a housing solution for many of those in need of assistance without subsidy aid from the senior governments,

If the senior orders of government adopted the proposed housing program across Canada, the current level of funding could serve many more households. By applying solutions at the community level and by using more efficient housing solutions at the federal/provincial level, current levels of funding could solve many of Canada's housing problems.

To assist a wider range of households with affordability problems and to complement the concept of purchasing existing rental units, the Task Force recommends that emphasis be placed on programs for building more affordable housing units for first-time home buyers and for building more affordable rental housing units. These programs would free up the current stock of rental units for those most in need and create jobs.

The Task Force recommends other measures as well:
Government-guaranteed Mortgage Investment Bonds to attract more funds into housing. Funds from these bonds could be made available at a lower interest rate to non-profit groups but without subsidy. These measures will allow governments to help lower-income households without subsidy.

All federal and provincial housing programs with deep subsidies be100% targeted and used exclusively to assist those households in greatest need. To accomplish community-blending objectives, the Task Force also recommends that only smaller projects that are well integrated into the community should be funded.

All the City's publicly-assisted housing units be rented at full market rent or at a rent geared to income. At present 2000 of the 3059 residents living in Ottawa's City Living publicly assisted housing units are not paying a rent geared to income.

A single Department of Housing for the City of Ottawa, to co-ordinate all housing policy, to accelerate housing production, and to reduce red tape

The city to initiate a single region-wide, non-profit, housing foundation with a public/private Board of Directors to manage the day-to-day operations for all publicly-owned units in the Ottawa-Carleton Region.

The Task Force makes a total of 23 recommendations to improve the housing situation within Ottawa-Carleton.

MORE AFFORDABLE HOUSING

for

OTTAWA

REPORT

of the

MAYOR'S TASK FORCE ON HOUSING

INTRODUCTION

On January 28, 1985, the Mayor and the Council of the City of Ottawa established a Task Force on Housing. The mandate entrusted to this Task Force required it:

TO identify and develop ways in which the private sector and individuals can work with the municipality to assure a supply of affordable housing.

TO identify financial or structural mechanisms through which the municipality can obtain maximum benefit from its housing funds.

TO recommend a plan for action in conjunction with the private sector, third sector and other governments.

The Task Force on Housing is an unpaid part-time group; its members were chosen because of their expertise in the fields of housing, finances and social planning, and several of them have had extensive experience in both the private and public sector. The Task Force was not appointed to carry out new research or to produce a detailed statistical study. Its mandate was to recommend a plan of action, using the members' own expertise and experience, with the data and research that were already in hand.

Members of the Task Force are:
William Teron, Chairman, is a builder with 25 years of private building experience. For six years he served as President and Chairman of Canada Mortgage and Housing Corporation and Secretary (Deputy Minister) of the Ministry of State for Urban Affairs in the Government of Canada.

Caroline Andrew is a social scientist with the University of Ottawa and a member of a number of community housing organizations.

Robert Baldwin is a member of the Research and Legislation Department of the Canadian Labour Congress (CLC).

Alan Cohen is a practicing lawyer and a former Assistant City Solicitor with the City of Ottawa.

Paul Goyette has been a building executive for 12 years and is a former Managing Director of the Ontario Housing Corporation.

John Graham, Jr. is President of John Graham & Company Limited , an investment-dealer firm whose head office is in Ottawa.

In preparing this report, the Task Force has sought to make maximum use of the available studies prepared by Peter Barnard Associates, Regional Planning staff, City Planning staff, the Provincial Ministry of Housing, the Canada Mortgage and Housing Corporation, Statistics Canada and others in the community.

The Task Force has held in-depth consultations with the Mayor, aldermen, developers and rental-property owners, and with City and regional government officials and community leaders working on housing. It has also worked with the planning and housing staff of the City of Ottawa.

We are satisfied that the information and studies currently in hand provided sufficient data for us to discharge our mandate. We recognize that data are never complete and up to date, but we have concluded that small year-to-year changes would not significantly alter our conclusions and our recommendations.

While we are specifically addressing housing concerns within the City of Ottawa, the fact is that all housing-subsidy programs are provided by the two senior orders of government. Of necessity, therefore, certain recommendations of our Task Force must address the housing programs of the federal and provincial goverments.

The Task Force has not focused in depth on the entire range of issues relevant to Ottawa's housing. Many issues are presently being addressed by the City's housing staff and by the Council of the City of Ottawa; these bodies have the necessary information and understanding of the problems to address them satisfactorily. Instead, the Task Force has concentrated on areas where its competence and attention would, in our view, be best able to produce positive results.

Our group has not, in fact, reached a unanimous decision on most issues, for the issues are complex, and each has many possible resolutions. Nevertheless, its members have debated each issue -- some very vigorously -- and then arrived at a decision embodying recommendations that represent what we believe to be the best compromise possible.

THE BASIC PROBLEMS

The most critical problem relating to adequate housing is affordability. The Task Force defines affordability as representing annual housing costs below 30% of household income. Within the Ottawa-Carleton region, 14,870 homeowners and 28,155 renters, representing about 22% of all households, spend more than 30% of their annual income for housing. The affordability factor forces many of these people to seek help from governments or from the community.

Because of the rapid escalation of subsidy costs, the second most critical problem is government funding. Since the current level of subsidy per housing unit is very high, governments cannot begin to provide funding for all those in need of assistance. Ottawa's waiting list which represents those citizens with the most extreme housing problems, contains more than 1600 names, while the current funding and blending requirements assist only 150 additional new households each year. Current funding for assisted housing is clearly inadequate, and the prospect of increased funding is remote because of fiscal restraints.

The Task Force stresses policies, actions and funding concepts that have the potential to solve problems on the scale of 1,600 units within a reasonable period of time.

In addition to the factors of affordability and funding there are other problems:

- Availability and physical standards of housing are at crisis level for some groups of Ottawa citizens and in certain areas of the City.

- The current institutional and managerial framework is complex and requires improvement.

FOUR AREAS FOR ACTION

The Task Force on Housing believes that actions to improve Ottawa's housing situation can be considered in four distinct groups, each group complementary to the others.

The first group of actions is aimed at increasing the number of affordable public and private housing units; it includes actions to keep building costs and public subsidies down.

The second group of actions is intended to make better use of the very substantial existing stock of affordable publicly-and privately-owned housing. This stock includes the 13,500 units of publicly-assisted housing and some 30,000 units of private housing stock renting for under $475 per month.

The third group of actions involves increasing the supply of housing for those with special needs: single-parent families, single unemployed persons, and the mentally and physically disabled.

The fourth group of actions is meant to improve the institutional and managerial mechanisms which affect the housing process.

INCREASING AFFORDABLE PUBLIC AND PRIVATE HOUSING UNITS

This first group of undertakings relates to three distinct cpportunities for action:

- To increase the number of publicly-assisted housing units without subsidy
- To encourage the production of affordable home-ownership units and to take every initiative to lower the cost of housing
- To produce affordable, new, private-market, rental accomodation.

Increasing Publicly-Assisted Housing Without Subsidy

Current federal and provincial housing programs virtually prohibit the purchase of existing housing to provide publicly assisted accommodation.

Table 1. shows the present scope for solving Ottawa's housing problems

Table 1: Ottawa's current housing situation

Number of units of existing affordable rental stock.	30,000
Number of publicly-assisted rental units in Ottawa	13,500
New rental-housing starts per annum	900
New ownership-unit starts per annum	1,275
Proposed target for those in need, per year	500
Waiting list for publicly-assisted units	1,600

It is easier to acquire 500 housing units a year out of the stock of 30,000 existing units than it is to try to obtain the same number of units out of the stock of 900 or so new rental units started in any one year. The existing rental stock is equal to 25 years of production ofnew rental units.

An analysis of the affordable housing stock in Ottawa illustrates a very clear and dramatic contrast between the cost of housing built prior to 1979 and the cost of new housing.

The basic capital cost of a new two-bedroom housing unit is $60,000. Such a unit demands an economic rent without subsidy of $775 per month, which requires an annual income of $31,000. The public subsidy required

to assist tenants earning an annual income of $23,000, (the average income of the tenants residing in the City's housing units) is $200 per month.

The basic capital cost of acquiring an existing rental-housing unit is $25,000 plus a $5,000 net allowance for rehabilitation. Such a unit would demand an economic rent without subsidy of $485 per month. Thus the public subsidy required to assist tenants with an annual income of $23,000 would be nil.

Simply put, the current housing program is attempting to solve a $30,000 housing problem by applying a $60,000 solution.

Since there are more than 1600 households on Ottawa's waiting list for assisted -rental housing, the City's options are to purchase 500 units per year over three years out of the existing stock of 30,000 units, or to purchase 500 units per year out of the new rental production of 1270 units. The financial implications are as follows:

Capital cost of 1500 new rental units	@ $60,000	=	$90,000,000
Capital cost of 1500 existing rental units	@ $30,000	=	$45,000,000
Annual subsidy for 1500 new rental units	@ $ 2,400	=	$ 3,600,000
Annual subsidy for 1500 existing units	0		0

The cost of solving the assisted-housing problem with new rental units is prohibitive, while to solve the problem with existing units is financially possible. These 30,000 existing rental units offer good accommodation; they are currently occupied by households which are not receiving public assistance. There is a normal turnover of more than 3000 units per year.

The chief rationale for the current policy of purchasing only new units has been that subsidized-housing programs are designed to solve two problems: the need for housing and the need for jobs. Jobs are important, and the housing industry can help to achieve both objectives.

One of the most recent federal housing programs devised to stimulate job creation was a $3000 grant to first-time homeowners, operative in 1982-83. The program was so successful that its funds were quickly oversubscribed, and many potential first-time buyers were disappointed.

It proved that if a government wants to create housing starts and jobs, a rapid, effective and inexpensive method is available at a low cost per new job created. A first-time homeowner program which focused on prices at the lower end of market would help to free up current rental accommodation and add to the stock of affordable housing. In Ottawa, the lower end of market would include housing priced at $55,000 to $80,000.

The current federal non-profit housing program subsidizes mortgages down to an effective rate of 2%. On a $50,000 housing unit, this reduction amounts to a subsidy of $4,750 per annum, or $400 per month per unit. This heavy subsidy for each year's production is cumulative. Federal subsidy costs for all social housing has grown from $300 million to a billion dollars per annum over the last five years. Since this level of subsidy cannot be sustained, there is no hope of solving present housing problems through the current program.

We suggest that a less generous but workable program which can be adequately funded could be more helpful to more people.

In addition to lowering capital costs by acquiring existing rental-housing units, providing mortgages at a lower interest rate could be of significant help in lowering the income requirements for a new, non-subsidized, non-profit, housing program.

Mortgage Investment Bonds are currently being considered by both the public and the private sector. There is a large pool of capital available at attractive rates from "small" investors and pension funds. The program would be a managed portfolio consisting of government-guaranteed mortgage-backed securities made available to small investors and pension funds with an option for a fixed-or floating-rate term. Governments of any order can use their credit rating to attract small-investor and pension funds and can make these funds available to eligible borrowers at the government's rate of borrowing, on a non-profit, non-subsidy basis.

Under this arrangement, the benefit accruing to investors is a government-guaranteed mortgage bond. The benefit accruing to the non-profit housing agency and its eligible tenants is mortgage payments at the government's rate of interest, which is approximately 2% lower than market mortgage rates. The benefit accruing to the government is a less costly way of providing publicly-assisted housing.

The federal and provincial governments could offer an enhanced "tax-free" Mortgage Investment Bond to the investor, which would help to solve more severe housing problems. The interest-rate benefit to the borrower could be in the order of 5%, but the tax loss would be a definite cost to the government. This cost, however, could be measured against the costs involved in providing an alternative solution for these problems.

Lower monthly mortgage payments can also be achieved by making available Indexed Variable Mortgages or Indexed Linked Mortgages. these types of mortgages differ and each is designed to suit a particular group of Canadians. Mortgage-backed securities attempt to even out the cash flow for the borrower.

The following figures demonstrate that a public housing program without subsidy is possible. The annual cost of a new housing unit without subsidy requires an annual income of $30,000, while the annual cost of an existing rental housing unit without subsidy requires an annual income of $20,000. The program selected determines the base cost for all subsidies.

Table 2 illustrates the economic differentials of housing programs involving new and existing housing units; in this table:

11.5% represents a free market-place mortgage rate of interest.
9.5% represents a Mortgage Investment Bond rate of interest.
6.5% represents a Tax-Free Mortgage Investment Bond rate of interest.

Table 2: Alternate Economics of New and Existing Housing Programs

	New housing unit	Existing housing unit	Existing housing unit	Existing housing unit
Mortgage rate	11.5%	11.5%	9.5%	6.5%
	($)	($)	($)	($)
Capital costs	60,000	30,000	30,000	30,000
Interest costs	7,224	3,612	3,000	2,100
Operating expenses	2,200	2,200	2,200	2,200
Total annual rent	9,424	5,812	5,200	4,300
Monthly rent	785	485	435	358
Income required	31,413	19,373	17,333	12,900
Monthly subsidy required to assist $23,000 income	235	0	0	0

To implement a non-subsidy assisted-housing program, rental buildings could be purchased, and existing tenants paying market rents could be integrated with eligible tenants paying a rent geared to income. The income accruing from the full market rentals would reduce the rental amounts required from those paying rent geared to income. This arrangement would, allow families with lower income levels to be served by this program. In addition, a federal/provincial deep-subsidy, rent-supplement program could integrate an even higher proportion of more needy families and individuals into these existing units.

Existing rental units purchased and upgraded for a capital cost of $30,000 or less are viable without subsidy. Governments and taxpayers can thus afford to purchase existing rental housing and to fund it at a level that can help many more people.

Prior to a change in provincial policy in 1980, the City of Ottawa's expenditures for public housing were $2,261,369 in 1978, $2,410,013 in 1979, and $1,716,940 in 1980. In 1981, the expenditure dropped to $583,763, roughly its current level.

The City of Ottawa has a healthy credit capacity; if it chose to maintain its housing expenditures at the 1978-79 level (in the form of equity investment) by floating Municipal Mortgage Investment Bonds, it could purchase existing rental-housing units and assist households in need without subsidy assistance from any other order of government.

If senior orders of government adopted this proposed housing program for all of Canada, their current level of funding could serve many more households. The combination of funds at the community level and the more efficient use of federal/provincial funds could provide a national program capable of solving the housing problems within most communities.

Private non-profit corporations and co-operatives have constituted an important "third sector" in the provision of affordable housing in the past decade. A program based on the purchase and rehabilitation of existing rental units would be extremely well suited to the private non-profit and co-operative housing sector. Its lower cost and its easier funding could provide a more stable and more productive environment.

THE TASK FORCE ON HOUSING RECOMMENDS THAT THE CITY OF OTTAWA:

ADOPT THE CONCEPT OF USING THE CITY'S OWN CREDIT AND EQUITY TO PURCHASE EXISTING RENTAL BUILDINGS TO MEET THE NEED FOR PUBLICLY-ASSISTED HOUSING.

ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO TARGET 100% OF THEIR DEEP SUBSIDY FUNDING TO ASSIST THOSE IN GREATEST NEED

ASK BOTH THE FEDERAL AND PROVINCIAL GOVERNMENTS TO SEPARATE HOUSING PROGRAMS DESIGNED TO HELP THOSE IN NEED OF PUBLIC ASSISTANCE FROM HOUSING PROGRAMS DESIGNED TO CREATE JOBS.

ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO DESIGNATE EXISTING HOUSING A FIRST OPTION FOR ITS PUBLICLY-ASSISTED HOUSING PROGRAMS.

ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO MAKE AVAILABLE GOVERNMENT-GUARANTEED MORTGAGE INVESTMENT BONDS AT COST BUT WITHOUT SUBSIDY TO NON-PROFIT HOUSING ORGANIZATIONS.

Producing More Affordable Home-Ownership Units

The ability to produce new housing at affordable cost is at the root of all solutions to the problems of providing adequate accommodation.

To purchase affordable ownership housing is and will continue to be an attractive option for many households. The cost of a housing unit can be frozen at the time of purchase, while the value increases over time. Inflationary increases benefit the owner, as most people who are witness to the long-term benefits of real estate investment will confirm. In addition, rents include a built-in cost for property maintenance, which most homeowners can save by doing the work for themselves.

Housing production is down in Ottawa and in the entire country. The industry has a proved capacity to build over 250,000 new housing units per year in Canada and 5000 such units in the Ottawa region. The current production levels are approximately half these figures, both in Canada and in Ottawa. Each housing "start" represents one and a half person-years of employment.

Ownership-housing units are required to satisfy consumer demand. Housing construction creates jobs. Moreover, if units are built at the lower end of market, many buyers will free up much needed rental accomodation. Lower end of market prices can be further encouraged by first-time homeowner grants. If governments decide to offer assistance, they should select and encourage projects that demonstrate leadership through offering lower costs.

Building affordable housing provides opportunties for architects, builders and developers to respond to the challenge, producing new ideas, increased productivity and cost effectiveness. Consumers and governments should and will reward those who demonstrate that they offer the best value for money.

Initiatives of every kind, no matter how small, can contribute to the production of affordable accommodation and affect its final cost. Construction efficiency, municipal processing time, and the cost of money are key areas in which to look for improvement.

Municipal governments have a major and direct impact on the supply and the cost of housing. Interest costs, planning and legal costs all mount up during time-consuming processes of zoning and obtaining approval for building and other permits. Increased risk and the commensurate financial return required because of the uncertainty of obtaining approval, and decreased competition resulting from the same uncertainty because of the lack of clearly-defined criteria, are all factors that contribute to increased costs.

One very positive suggestion made to this Task Force was that a forum of officials offer a co-ordinated round-table review of all affordable housing projects of reasonable size. Another recommendation was that City Council consider and compare the overall consequences of its review process with the benefits achieved from the often very detailed issues that it pursues. Opportunities should be sought to reduce political involvement in the small details of standard development projects.

Government-sponsored production programs should incorporate an incentive for accelerating quality projects. Time is money, and to save money by implementing more efficient procedures is better than to save money by eliminating quality in a building. Clear-cut criteria and a sense of urgency can make a substantial contribution to lowering construction costs. If cost effectiveness is a qualifying criterion in governmental programs, the cost savings that result will be passed on to the consumer.

Land continues to be the largest single capital cost. There are many opportunities to increase the supply of residential land within the City of Ottawa. Though in recent years the City has made important strides in mixing commercial and residential development on a site-by-site basis, it has no overall policy which would make much more effective use of land in its built-up areas.

The Task Force proposes that the City consciously foster a residential option where market conditions are ripe by announcing its readiness to provide rapid zoning approval for residential uses on the following types of land:

- Underutilized industrial, commercial and institutional sites which as a result of market or geographic circumstances, are unlikely to be developed for such purposes within the foreseeable future.
- "Air rights" over shopping centers and their parking lots.
- "Air rights", where appropriate, over transitways, roads etc.,
- "Air rights over other types of underutilized property.

The City should ask the Province of Ontario to amend legislation which prohibits the building of condominiums on leased land, in order to facilitate the above projects.

Improvements in the financing of housing can contribute to its production and affordability. The mortgage instrument and its fundamental integrity constitute the basic support of all housing production. Mortgages are in direct competition with all other forms of investment for funds. Their attractiveness must be constantly updated to keep rates and terms competitive for the investor and affordable to the borrower. The mortgage investor requires that an investment offer security, sound management and liquidity, while the borrower requires that mortgage funding offer availability, affordability and predictability, both short term and long term.

Mortgage Investment Bonds as described on page 7 are being looked at and tested as a private market-place mortgage instrument. A bond now being tested on the private market offers instant liquidity, but violates a fundamental economic rule: the maturity dates of the loan for the borrower and the investor are not matched. That is to say, the borrower's interest rate is protected for the full term, while the investor can withdraw the funds at any time. Mortgage insurance is no longer an answer to a major liquidity crisis. All mortgage-insurance funds have a track record to demonstrate that a national economic crisis can create a run on the fund.

The concept of mortgage-investments bonds is a good one, and the capital pool for such bonds is available, but the long-term investment mechanics require more work before this instrument can become a potent private-sector reality. Offering an option to both parties of a fixed or floating rate might provide one answer. The creation of a "secondary market" for mortgage-backed securities is another way of offering more liquidity. Federal Interest Act amendments will have to address these issues.

THE TASK FORCE ON HOUSING RECOMMENDS THAT:

THE CITY OF OTTAWA AND THE FEDERAL AND PROVINCIAL GOVERNMENT ENCOURAGE THE CONSTRUCTION OF NEW FIRST-TIME HOMEOWNER'S HOUSING UNITS, WITH GRANTS IF NECESSARY, DIRECTED AT THE LOWER END OF MARKET, AS PART OF THE PROCESS OF INCREASING THE SUPPLY OF AFFORDABLE HOUSING, FREEING UP RENTAL ACCOMMODATION AND CREATING JOBS

THE CITY ENCOURAGE THE PRIVATE INVESTMENT COMMUNITY TO DEVELOP AND MARKET PRIVATE MORTGAGE-INVESTMENT BONDS AS AN ADDITIONAL SOURCE OF MORTGAGE FINANCING

THE CITY STREAMLINE ITS ZONING AND BUILDING APPROVAL PROCESS TO HELP REDUCE TIME AND COSTS AND THAT IT ADOPT A RAPID APPROVAL INCENTIVE FOR AFFORDABLE HOUSING PROJECTS

THE CITY ANNOUNCE ITS READINESS TO PROVIDE RAPID APPROVAL OF RESIDENTIAL USES ON UNDERUTILIZED INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL LANDS

THE CITY REQUEST THE PROVINCIAL GOVERNMENT TO AMEND ITS LEGISLATION TO PERMIT CONDOMINIUMS TO BE BUILT ON LEASED LAND

Producing Affordable New Rental Units

Market rents are high because of a combination of high capital costs, operating costs, municipal taxes, interest rates and profits. Rent-control legislation overrides the economic rent and/or the free market-place rent. To encourage the production of rental units during a period of rent controls requires a public subsidy to offset the difference between economic rent and the controlled rent.

During the period when rental units built after 1976 were exempt from rent controls, a significant number of unassisted rental units were built in Ottawa. Other units were built with the aid of governmental interest-free loans of up to $7,500 per unit. The builders of these units built with an expectation of re-couping their negative cash flow at a later date. The current policy of placing all units under rent control will eliminate this option. Rental units built under the current "all units" policy have a finite investment value with no potential for future recoveries.

The subsidy required to initiate rental-unit production represents the political and economic cost of imposing rental controls. Subsidies can be provided in a number of ways: as a front-end capital grant, an interest-free loan, an interest-rate subsidy, a rent supplement, an indirect subsidy in the form of a tax benefit to investors, or as a combination of any of these methods.

How large a subsidy is required to make the production of rental units viable? Table 3. provides examples.

Table 3: Subsidies required to make rental units viable.

Economics for a unit costing:	$ 60,000	70,000	80,000
Interest costs @11.5%	$ 7,224	8,428	9,632
Operating expenses incl. taxes	$ 2,200	2,400	2,600
Total annual costs	$ 9,424	10,828	12,232
Monthly economic rent	$ 785	900	1,020
Income required @30%	$ 31,413	36,093	40,775
Monthly controled rent (estimated)	$ 585	650	750
Income required @ 30%	$ 23,400	26,000	30,000
Monthly assistance required/ or	$ 200	250	270
Interest rate subsidy required/or	4%	4%	4%
Interest free loan required/or	$ 20,000	24,000	28,000
An equivalent tax incentive.			

While the aim of assisted-housing programs is to increase the production of affordable rental accommodation to provide a competitive market-place, the cost of achieving this end through public assistance can be astronomical. As an illustration of the extent of the problem, we present the following basic calculations.

CMHC has estimated that it will require approximately 5,000 new rental units to achieve a 3% vacancy rate in the Ottawa-Carleton Region. This figure would be the minimum level of vacancies required to create a reasonably competitive rental-housing market.

A solution for Ottawa-Carleton alone, based solely on front-end interest-free loans would be to make available the following funding:

5000 x $20,000 = $100 million of interest-free mortgages
with an interest-cost loss of approximately $9.5 million per annum.

A second option would be to provide $10,000 interest-free loans plus $250 million-worth of Mortgage Investment Bonds guaranteed on a non-profit basis. This option would require $50 million of government interest-free loans with an interest-cost loss of $4.75 million per annum, along with the contingent liability of guaranteeing the $250 million-worth of mortgages.

A third option would be not to provide interest-free loans; but to provide $250 million-worth of government-guaranteed "tax-free" Mortgage Investment Bonds. The result would be a tax loss of $11.5 million per annum, no direct government debt or interest-cost loss, but a contingent liability of guaranteeing $250 million-worth of mortgages.

The Ontario government is now planning a program of supporting 10,000 rental units. To achieve a competitive market level throughout Ontario could require mounting a program of this extent each year for the next three to five years. The cost would be basically the same whether the program were delivered through private developers or through the non-profit and co-operative third sector.

THE TASK FORCE ON HOUSING RECOMMENDS THAT:

THE CITY OF OTTAWA ASK THE FEDERAL AND PROVINCIAL GOVERNMENT TO PUT IN PLACE A RENTAL HOUSING PRODUCTION PROGRAM. OTTAWA REQUIRES 1,500 UNITS IN 1986.

A New Legislative Framework to Guide Landlord/Tenant Relationships During Rent Controls

During periods of rent controls, administrative problems occur which, in themselves, are as difficult as the production of new rental accommodation. If rent controls are to remain in force for some time, it will be useful for the Province of Ontario to introduce a revised legislative framework for landlord/tenant relations.

Such a framework could provide for landlord tenant relations that more closely approximate labour/management relations. This new model would replace the current adversarial and judicial model. The legislation might provide for such innovations as the recognition of tenant's and property owner's associations as bargaining units.

With suitable protections, agreements struck mutually between landlords and tenants would not be subject to the rent-control process, just as private marriage contracts, duly arranged, are exempt for certain purposes from the provisions of provincial family law.

The Province of Ontario might also wish to consider striking global agreements with landlords to place in their projects tenants who are recipients of rent supplements, as a condition of participating in a provincial rental housing program.

The province should not establish a centralized rent registry composed of provincial public servants, but a neighbourhood-based system, subject to provincial quality controls and enforcement.

THE TASK FORCE ON HOUSING RECOMMENDS THAT THE CITY OF OTTAWA:

ASK THE PROVINCIAL GOVERNMENT TO AMEND ITS RESIDENTIAL TENANCIES ACT TO PROVIDE A NEW LEGISLATIVE FRAMEWORK TO GUIDE LANDLORD/TENANT RELATIONSHIPS.

REQUEST THE PROVINCE OF ONTARIO TO INTRODUCE A NEIGHBOURHOOD-BASED REGISTRY SYSTEM FOR RENTAL ACCOMMODATION.

BETTER MANAGEMENT OF EXISTING HOUSING STOCK

The second group of actions which the Task Force on Housing advocates is intended to achieve the better management of existing public and private affordable housing stock. Within this undertaking, three distinct opportunities for action exist:

- Better management of current portfolio of publicly-assisted housing
- Better utilization of existing housing
- Preservation and maintenance of existing housing stock.

Management of the current portfolio of publicly-assisted housing stock

Background Facts

Within the Ottawa-Carleton Region, there are 13,527 publicly-assisted housing units. The Province owns 8,618 of these units; another 2,079 units are owned by private non-profit organizations, and 3,059 units are owned by the City of Ottawa's Non-Profit Housing Corporation, which is known as "City Living". The Regional Municipality and the other local municipalities do not own any publicly-assisted family housing, although some of the latter are exploring the possibility of acquiring such units. City Living acquired 156 units in 1981, 144 units in 1982, 481 units in 1983, and 289 units in 1984. Table 4 details the rental factors for the 3059 units owned and administered by City Living.

Table 4: Rental factors for City Living's Housing Units

	($)
Tenant Rental Income:	9,659,694
Federal contribution :	3,313,580
Ontario contribution :	1,287,770
City of Ottawa contribution:	88,831
Total Income	14,349,875
Average per unit per annum	4,691
Average per unit per month	390

Problems in the City Living Portfolio of Publicly-Assisted Housing Stock

- Many subsidized units are now occupied by tenants who are not paying a rent geared to their income.
- Operating costs of assisted rental units are too high.
- Federal government regulations prevent City Living from increasing its portfolio of rental accomodation through internal re-investment.
- Capital costs of rental units acquired since 1979 are too high.
- Capital funds available to acquire new units are inadequate to meet the need.

Many subsidized units are now occupied by tenants who are not paying a rent geared to income

One of the most striking statistics presented to the Task Force on Housing is the number of families living in City Living's publicly-assisted housing who are paying neither full market rent nor a rent geared to income (RGI). At the same time, 1600 households with qualifying income requirements are on the waiting list. This circumstance creates both a problem and an opportunity.

Approximately 2,000 families who live in publicly-assisted housing units (inhabiting 64% of all units owned by "City Living") are not paying rent geared to their income. Of the more than 3,000 units that City Living owns, approximately 1,000 units are subject to a policy which seeks a 65%/35% blend of units rented at market prices and units rented to occupants eligible for rental assistance. The remaining 2,000 units owned by City Living were funded under various programs as 100% publicly-assisted units. The occupants of some 1,350 units are not paying rents in proportion to their income and therefore do not meet the rent-geared-to-income criteria.

This situation can be addressed in a manner sensitive to all the issues involved. We recognize that social continuity and community stability are important factors to community well-being. Policy options exist which would allow many of these residents to remain in their units at fair market rents, but without public assistance. Buildings which are predominantly occupied by full-market renters could be sold to the private sector. The funds generated could then be used to help those

citizens who are in most serious need and are eligible for assistance. Thisstep would require a roll-over or reinvestment policy under regulations approved by the Federal government.

Operating Costs of Rental Units are Too High

After reviewing the property portfolio of Ottawa's housing corporation, City Living, the Task Force believes that savings can be achieved. Operational costs appear to be higher than those within the private sector. The private sector's operating expenses are in the $2100 to $2300 range. Operational savings would offer important potential for new funds to support new solutions. Table 5 is an overview of the expenses of operating City Living's rental units.

Table 5: 1984 Operating Expenses of Rental Units owned by City Living

Mortgage interest expense:	$ 6,156,444
Municipal taxes	2,520,165
Operating expenses	5,673,266
Operating loss	161,503

Total expenses per unit per annum	4,700
Operating expenses per unit incl. taxes	2,731

Restraints on Internal Re-Investment

Methods of utilizing City Living's current equity should be explored as grounds for a possible solution to current housing problems. Setting aside the large provincial assisted-housing portfolio, the City of Ottawa has developed a publicly-assisted housing portfolio of over 3,059 units; 1,732 of these units were built before 1979, and 1,327 units have been built since 1979.

The current market value of this portfolio is in the region of $100 million; the portfolio carries a mortgage debt of some $53.8 million. Of this debt, only $12.3 million applies to the 1,732 units built prior to 1979; $41.5 million of the debt is on the 1,327 units built since 1979. This valuation does not take into consideration any value accruing to underutilized land. One project alone stands on land worth over $12 million in the private market.

The City of Ottawa has an equity of more than $50 million dollars. This sum consists of $30 million in housing built prior to 1979 and approximately $20 million in the new units built after 1979.

The City should adopt a policy of total-asset management, seeking every opportunity to use its existing assets to meet its current requirements.

Capital Costs of New Units Purchased Since 1979 are Too High

Housing units that "City Living" has purchased since 1979 are too expensive, with the result that the rental levels and the subsidies required are both too high. The entire direct federal subsidy of $3.3 million to City Living applies to these expensive units. All of these units utilize the Federal Non-Profit Housing Program, which provides for a blending of market rents and geared-to-income rents. City Living has experienced some difficulty in renting its market rental units because the rents are too high.

If the City of Ottawa is to continue to build new units, it will require the same inducements that the private sector requires to produce rental accommodation, plus the subsidies required to help those who need public assistance.

Inadequate Funding of Subsidies for New Units

Allocations of funds to subsidize new units are very limited in proportion to the eligible numbers of applicants on the waiting list. There is a need for 1600 such housing units, while funding approvals number in the hundreds. The prospect of a significant increase in funding under current programs is remote. To increase the funding of current programs bit by bit will not meet the need. New solutions and new approaches must be found which are capable of solving our problems on the scale on which they exist.

The City of Ottawa must continue to make representations to the senior orders of government to inform them of the extent of needs in our community, and to make sure that the City receives its fair share of national and provincial assistance.

In light of the shortage of funds, the income-blending criteria for available funding should be amended. The blending or community-integration objectives set in the early 1970s, which provided 100% public funding and stipulated that only 25-35% of the occupants had to be eligible for assistance, can now be achieved in other ways. Projects at the time were larger and required blending. The same objective can now be reached by integrating small housing projects into a community with the intention of renting all units on a rent-geared-to-income basis or at full market rent.

If a self-financing, non-profit housing program were adopted, there would still be a requirement for subsidized loans to make housing available to those in very severe financial circumstances, or households requiring "special-needs" housing. These funds should be specifically targeted for such use.

THE TASK FORCE RECOMMENDS THAT THE CITY OF OTTAWA:

RATIONALIZE THE ELIGIBILITY RULES FOR ITS CURRENT PORTFOLIO OF PUBLICLY-ASSISTED HOUSING UNITS WITH THE GOAL THAT ALL UNITS SHOULD BE RENTED EITHER AT FULL MARKET RATES OR AT A RENT GEARED TO INCOME

ADOPT METHODS TO REDUCE THE OPERATING COSTS OF ITS CURRENT PORTFOLIO OF PUBLICLY-ASSISTED HOUSING

SEEK FEDERAL APPROVAL TO INCREASE ITS HOUSING PORTFOLIO THROUGH INTERNAL REINVESTMENT

BETTER UTILIZATION OF EXISTING HOUSING STOCK.

There are 1600 families and senior citizens' households on the official waiting list for assisted housing who may have housing problems, both of affordability and of limited space. In contrast, there are almost 9,000 households in Ottawa who occupy premises at the other end of the scale: they have no mortgage whatsoever, and only one or two persons live in housing units which contain 4 to 10 rooms. An estimated $670 million-worth of housing assets are underused in this way.

Thus there are many more people in Ottawa who occupy more space than they can hope to use than there are people who have severe housing problems. Many of the "advantaged" households are also made up of senior citizens. These people are house rich and cash poor. Municipal taxes, heat, hydro and maintenance can be difficult to pay if the householder's only income is an old age pension.

The Ottawa-Carleton Region has introduced a "Match & Share" program in an attempt to bring together those citizens in need of housing and those with excess space who are in need of additional revenue. The roughly 9,000 housing units with no mortgage and many more units with small mortgages could benefit from this program. Compared to the cost of purchasing new or existing housing units, the Match & Share program offers many potential benefits, not only in economic terms, but also in social and community terms. We acknowledge that this is a recent program and one that will require a great deal of patience, perseverence and organizational skill.

The City of Ottawa should help the Ottawa-Carleton Region to enlarge its core of professional counsellors. These specialists can operate a clearing-house and co-ordination centre, and assist church and other voluntary groups which offer a very personal approach in helping their members, friends and neighbours.

Programs currently being pursued in the City of Ottawa include "Granny Flats" and the conversion of large housing units to create additional accommodation. These concepts are complementary to the Match & Share program, with the added feature that households can add a living unit to or within an existing housing unit.

The economic viability of this concept is clear: the land is already paid for; the municipal services are in place; an existing house can usually provide the mortgage security required to finance the total package. Some residents might see such an opportunity as a complicated process. Here however, is where friendly counselling and assistance can help all the parties concerned.

THE TASK FORCE ON HOUSING RECOMMENDS THAT THE CITY OF OTTAWA:

WORK WITH THE REGION TO ENCOURAGE CHURCH AND OTHER VOLUNTARY GROUPS TO ACTING AS THE PRINCIPAL AGENTS FOR A LARGER MATCH & SHARE PROGRAM AND FOR THE PROMOTION OF HOUSING CONVERSION AND SENSITIVE INFILL IN EXISTING NEIGHBOURHOODS.

PRESERVATION AND MAINTENANCE OF EXISTING HOUSING

The largest pool of affordable housing is the existing stock, particularly those units built before 1979. That year was a significant watershed for housing costs in Ottawa.

Housing rehabilitation is cost effective. To save a house costs much less than to produce a new housing unit. Housing rehabilitation is also labour intensive, and much of the work required can be done during winter months. The Federal Housing Rehabilitation Program is a vital support program. All rental units built prior to 1979 should be eligible for rehabilition assistance to implement Maintenance and Occupancy By-law requirements.

THE TASK FORCE ON HOUSING RECOMMENDS THAT THE CITY OF OTTAWA:

VIGOROUSLY ENFORCE ITS MAINTENANCE AND OCCUPANCY BY-LAWS

PRESS THE FEDERAL GOVERNMENT TO MAKE ALL RENTAL UNITS BUILT PRIOR TO 1979 ELIGIBLE FOR ITS RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP)

The third undertaking which the Task Force on Housing advocates is providing for special needs.

TO INCREASE THE SUPPLY OF HOUSING FOR CITIZENS WITH SPECIAL NEEDS, SINGLE-PARENT FAMILIES, SINGLE UNEMPLOYED PERSONS, THE MENTALLY AND PHYSICALLY DISABLED.

Within this undertaking, there are three distinct opportunities for action:

- A priority to allocate scarce subsidy funds to special needs groups.
- A more effective way of enforcing minimum standards.
- The need to develop more special support systems.

BACKGROUND INFORMATION

Within the Ottawa community, the housing needs of families and senior citizens are being well addressed. The City of Ottawa has demonstrated strong leadership in the provision of housing for this group and continues to do so. The job is not complete but this Task Force has attempted to highlight the needs and actions that might be taken to help those still in need.

It was a shock and embarrassment to the members of the Task Force when we visited housing accommodation occupied by single people and single-parent families in a sector of down-town Ottawa. Housing we saw there could only be described as a "slum". Some of the accommodation was grossly below City standards, and some conditions were clearly illegal. Tiny single rooms in some units lacked a window; three or four persons shared one small bathroom; tenants paid rents of $250 per month for one single bedroom.

Fortunately, this core of terrible housing conditions is small, and fewer than 4300 units of the 147,000 housing units in the City are involved. It is well within the means of this community to eradicate it, and to ensure that decent minimum accommodation is available, and that minimum housing standards are enforced.

A Priority to Allocate Subsidy Funds to Special Needs Groups

Many Canadians, who by any standards are among those in greatest need, do not fit into present program or eligibility rules, in particular single persons.

The Task Force on Housing is in favour of reducing government subsidies wherever possible and encouraging more self-sufficiency. However, as long as there are any housing programs to assist Canadians who qualify, those with "special needs" should be assigned a high priority.

Single-parent families, single unemployed persons, the mentally and physically disabled must be considered as among those in greatest need. The first requirement in providing adequate assistance for these Canadians is all of them be made specifically eligible for assistance under all our current housing programs. Secondly, we must develop housing and housing programs which are designed to accommodate these people in an environment that meets their needs.

A More Effective Way of Enforcing Minimum Housing Standards

The illegal housing conditions that this Task Force observed suggest that a more effective way of enforcing minimum housing standards is required.

Last year, the Province of Ontario amended the Provincial Offences Act in a way that allows the City to issue tickets to those who commit infractions of the Maintenance and Occupancy By-laws. This would permit City Inspectors, instead of going through a lengthy court procedure, to issue a ticket on the spot, requiring the offending property owner to pay a fine and remedial work to be carried out forthwith. This constitutes a much more effective overall system and is likely to result in quicker action by those few landlords who try to beat the system through lengthy delays. The Task Force recommends that the City of Ottawa make full use of the scope provided by this new provincial legislation.

DEVELOPING SPECIAL NEEDS SUPPORT SYSTEMS.

Citizens with special needs cannot be effectively housed unless the necessary support systems are further developed and in place. This is a complex field. Much of it requires special skills, special facilities and equipment, but more than these, it requires compassionate people and a compassionate community. Numerous organizations are already providing such support. Most of these organizations require assistance, as they cannot cope with the increasing numbers within this special-needs group. Numbers of single-parent families and single unemployed persons, for instance, have increased rapidly within the last decade.

One idea that may have found its time is to reactivate the City of Ottawa Charitable Foundation. This foundation was established in 1927, but it has been close to moribund in recent years. It could be used as an agency to accept bequests or gifts of housing or funds from the elderly and from local service clubs which have long ties with certain neighbourhoods and causes. It could also buy or receive homes occupied by single elderly persons and allow them to live in the homes alone or in groups until they move to a care facility or pass away. Bequests and periodic sales at market prices could allow the Foundation to be self-sufficient.

This Foundation could also play some role in co-ordinating the development of special-needs support systems within the Ottawa-Carleton regional community. Along with non-profit corporations, it could help existing agencies to sponsor small non-profit housing projects to meet special needs in a way that is integrated with thelife of the total community.

THE TASK FORCE ON HOUSING RECOMMENDS THAT THE CITY OF OTTAWA:

ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO REVIEW THEIR CURRENT HOUSING ELIGIBILITY RULES FOR THE SPECIAL-NEEDS GROUP AND TO DESIGN SPECIAL PROGRAMS TO ASSIST THESE PEOPLE

THAT THE CITY USE THE PERMISSIVE LEGISLATION OF THE PROVINCE TO ENFORCE MORE VIGOROUSLY THE MUNICIPAL MAINTENANCE AND OCCUPANCY BY-LAWS

WORK WITH COMMUNITY GROUPS TO REACTIVATE THE CITY OF OTTAWA CHARITABLE FOUNDATION TO DEVELOP SUPPORT SYSTEMS FOR CITIZENS WITH SPECIAL NEEDS.

IMPROVING INSTITUTIONAL AND MANAGERIAL MECHANISMS

The fourth undertaking which the Task Force on Housing advocates is intended to improve the institutional and managerial mechanism that affect the housing process. It offers two distinct opportunities for action.

- To simplify and strengthen housing policy within the City of Ottawa.
- To institute a more efficient operational format for managing the public housing stock

BACKGROUND FACTS

Governmental Housing Agencies Exist in the Ottawa-Carleton Region

At present, housing functions are spread across the different administrative departments of the City of Ottawa. Many are in Community Development, some in Physical Environment, and some in the City of Ottawa Non-Profit Corporation. Other functions lie within the jurisdiction of the Ottawa-Carleton Regional Housing Authority and the Provincial Ontario Housing Corporation.

Under these circumstances, it is very difficult for the City to develop and implement coherent housing strategies. Indeed, the City Housing Study Team is doing excellent work, but in something of a vacuum.

Within the City, there are three principal housing agencies:

"City Living " functions as a department of the City of Ottawa, but is legally a separate corporation: the "Non-Profit Housing Corporation". The directors of the Non-Profit Corporation are the entire Ottawa City Council A Housing Manager and. his staff manage the day-to-day operations of the Corporation. City Living's primary function is to purchase and manage publicly-assisted housing, utilizing federal and provincial funding programs. City Living owns and manages 3059 housing units.

Ottawa-Carleton Regional Housing Authority (OCHRA) is a Province of Ontario agency set up to administer and co-ordinate the waiting list for assisted housing with City Living and with the Ontario

Housing Corporation units which they manage. This provincial " Authority" is represented by private members of this community appointed by the province on the advice of federal, provincial and local interests.

Ontario Housing Corporation (OHC) is a province-wide corporation which owns a large proportion of the publicly-owned housing stock in the province. Within the Ottawa-Carleton region, OHC owns, but does not manage, some 8618 units.

Regional Municipality of Ottawa-Carleton is a provincially-created regional government with representation from all the municipalities in the Ottawa-Carleton area. The Regional Government is responsible for a range of services that are deemed to be regional in nature, such as public health and major roads. The regional government has no publicly- assisted housing stock and currently does not provide public-housing subsidies.

An Inefficient Management Framework for Housing

A multiplicity of objectives, policies, constraints and procedures makes for a very complex and inefficient operation. To decide who will obtain a subsidized unit is not an easy task within a political environment, either for staff or for politicians. The development of private sector type cost effectiveness and re-investment options is too restricted in a governmental structure. Approval processes and systems and procedures are necessarily complex, slow and time consuming and therefore costly. Citizens who apply to rent subsidized housing units are often confused by the current system. The present pressure to manage the demand load with smaller resources creates an opportunity to explore more effective institutional formats and managerial methods. New ways can be found to blend public responsibilities with access to all public and private managerial initiatives, procedures and techniques.

Providing housing is a business-like undertaking which is large and complex. Three orders of government are involved. There are also community interests and the diverse interests of many individuals. There are policy and operational issues. To be reasonably efficient, clear policies and standards and decisive operational management methods must be in place.

The ideal system would be an arrangement whereby all housing policies would be politically directed, and a single department would develop and plan the City policy. This department would be headed by a Commissioner who would co-ordinate all development policy, strategic planning and implementation. The department would co-ordinate all housing policies within the City and administer program and project development policy. All final policy would derive from political decisions and the Commissioner would oversee implementation and co-ordination on behalf of City Council. All day-to-day housing-project operations would be run on a business like basis within the parameters of policies prescribed by the "shareholders". A managing director would report to a public/private Board of Directors who, in turn, would be accountable to the shareholders.

THE TASK FORCE ON HOUSING RECOMMENDS THAT THE CITY OF OTTAWA:

CREATE A SINGLE DEPARTMENT OF HOUSING TO DEVELOP, CO-ORDINATE AND IMPLEMENT ALL HOUSING AND DEVELOPMENT POLICIES WITHIN THE THE CITY

INITIATE A SINGLE REGION-WIDE NON-PROFIT HOUSING CORPORATION WITH A PUBLIC/PRIVATE BOARD OF DIRECTORS TO OPERATE AND MANAGE ALL PUBLICLY-OWNED PUBLICLY-ASSISTED HOUSING UNITS IN THE OTTAWA-CARLETON REGION

SUMMARY

THE TASK FORCE ON HOUSING

PRESENTS A CONCEPT TO PROVIDE AN ADEQUATE SUPPLY OF PUBLICLY ASSISTED HOUSING WITHOUT SUBSIDY

RECOMMENDATIONS TO INCREASE THE SUPPLY OF AFFORDABLE OWNERSHIP AND RENTAL HOUSING UNITS

RECOMMENDATIONS TO RESERVE PUBLIC FUNDS WITH DEEP SUBSIDIES FOR THOSE WITH EXTREME PROBLEMS AND FOR THOSE WITH SPECIAL NEEDS.

RECOMMENDATIONS TO IMPROVE THE INSTITUTIONAL AND MANAGERIAL MECHANISMS WHICH AFFECT THE HOUSING PROCESS.

THE TASK FORCE RECOMMENDS A SPECIFIC PLAN OF ACTION:

1. PURCHASE EXISTING RENTAL UNITS FROM THE PRIVATE MARKET TO ASSIST THOSE ON THE WAITING LIST THROUGH A NON-SUBSIDIZED NON-PROFIT HOUSING PROGRAM

2. PURCHASE ADDITIONAL EXISTING RENTAL UNITS TO ASSIST THOSE ON THE WAITING LIST THROUGH INTERNAL RE-INVESTMENT OF CURRENT HOUSING ASSETS.

3. BUILD HOMEOWNER UNITS AT THE LOWER END OF MARKET AS PART OF THE PROCESS OF INCREASING THE SUPPLY OF AFFORDABLE HOUSING, TO FREE UP RENTAL ACCOMODATION AND TO CREATE JOBS.

4. BUILD 1500 PRIVATE MARKET RENTAL UNITS

5. RESERVE PUBLIC FUNDS WITH SUBSIDY TO BUILD PROJECTS FOR THOSE WITH EXTREME PROBLEMS AND WITH SPECIAL NEEDS

6. CREATE A SINGLE DEPARTMENT OF HOUSING

7. CREATE A SINGLE REGIONAL NON-PROFIT HOUSING AGENCY TO MANAGE HOUSING UNITS IN OTTAWA-CARLETON AREA

8. RE-ACTIVATE THE CITY OF OTTAWA CHARITABLE FOUNDATION TO DEVELOP SUPPORT SYSTEMS FOR THOSE WITH SPECIAL NEEDS

THE TASK FORCE ON HOUSING

THE TASK FORCE ON HOUSING RESPECTFULLY RECOMMENDS THAT THE CITY OF OTTAWA:

1. ADOPT THE CONCEPT OF USING THE CITY'S OWN CREDIT AND EQUITY, TO PURCHASE EXISTING RENTAL BUILDINGS, TO MEET THE NEED FOR PUBLICLY-ASSISTED HOUSING

2. ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO TARGET 100% OF THEIR DEEP SUBSIDY FUNDING TO ASSIST THOSE IN GREATEST NEED

3. ASK BOTH THE FEDERAL AND PROVINCIAL GOVERNMENTS TO SEPARATE HOUSING PROGRAMS DESIGNED TO HELP THOSE IN NEED OF PUBLIC ASSISTANCE FROM HOUSING PROGRAMS DESIGNED TO CREATE JOBS

4. ASK FEDERAL AND PROVINCIAL GOVERNMENTS TO DESIGNATE EXISTING HOUSING A FIRST OPTION FOR ITS PUBLICLY ASSISTED HOUSING PROGRAMS

5. ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO MAKE AVAILABLE GOVERNMENT-GUARANTEED MORTGAGE INVESTMENT BONDS AT COST BUT WITHOUT SUBSIDY TO NON-PROFIT HOUSING AGENCIES.

6. AND THE FEDERAL AND PROVINCIAL GOVERNMENTS ENCOURAGE THE CONSTRUCTION OF FIRST-TIME HOMEOWNER'S HOUSING UNITS, WITH GRANTS IF NECESSARY, DIRECTED AT THE LOWER END OF MARKET, AS PART OF A PROCESS OF INCREASING THE SUPPLY OF AFFORDABLE HOUSING, FREEING UP EXISTING RENTAL UNITS AND CREATING JOBS.

7. ENCOURAGE THE PRIVATE INVESTMENT COMMUNITY TO DEVELOP AND MARKET PRIVATE MORTGAGE INVESTMENT BONDS AS AN ADDITIONAL SOURCE OF MORTGAGE FINANCING.

8. STREAMLINE ITS ZONING AND BUILDING APPROVAL PROCESS TO HELP REDUCE TIME AND COSTS AND THAT IT ADOPT A RAPID APPROVAL INCENTIVE FOR AFFORDABLE HOUSING PROJECTS

9. ANNOUNCE ITS READINESS TO PROVIDE RAPID APPROVAL OF RESIDENTIAL USE ON UNDERUTILIZED INDUSTRIAL, COMMERCIAL AND INSTITUTIONAL LANDS

10. ASK THE PROVINCIAL GOVERNMENT TO AMEND ITS LEGISLATION TO PERMIT CONDOMINIUMS TO BE BUILT ON LEASED LAND

11. ASK THE FEDERAL AND PROVINCIAL GOVERNMENTS TO PUT IN PLACE A RENTAL HOUSING PRODUCTION PROGRAM. OTTAWA REQUIRES 1500 UNITS IN 1986

12. ASK THE PROVINCIAL GOVERNMENT TO AMEND ITS RESIDENTIAL TENANCIES ACT TO PROVIDE A NEW LEGISLATIVE FRAMEWORK TO GUIDE LANDLORD/TENANT RELATIONSHIPS

13. ASK THE PROVINCE TO INTRODUCE A NEIGHBORHOOD-BASED RENTAL REGISTRY SYSTEM FOR RENTAL ACCOMMODATION

14. RATIONALIZE THE ELIGIBILITY RULES FOR ITS CURRENT PORTFOLIO OF PUBLICLY-ASSISTED HOUSING UNITS WITH THE GOAL THAT ALL UNITS SHOULD BE RENTED EITHER AT FULL MARKET RENT OR AT RENT GEARED TO INCOME.

15. ADOPT METHODS TO REDUCE THE OPERATING COSTS OF ITS CURRENT PORTFOLIO OF PUBLICLY-ASSISTED HOUSING.

16. SEEK FEDERAL APPROVAL TO INCREASE ITS HOUSING PORTFOLIO THROUGH INTERNAL REINVESTMENT.

17. WORK WITH THE OTTAWA-CARLETON REGION TO ENCOURAGE CHURCH AND OTHER VOLUNTARY GROUPS TO ACT AS THE PRINCIPAL AGENTS FOR A LARGER MATCH AND SHARE PROGRAM AND FOR THE PROMOTION OF HOUSING CONVERSION AND SENSITIVE INFILL IN EXISTING NEIGHBORHOODS.

18. VIGOROUSLY ENFORCE ITS MAINTENANCE AND OCCUPANCY BYLAWS AND UTILIZE THE PERMISSIVE LEGISATION OF THE PROVINCE TO TICKET OFFENDERS ON THE SPOT AND IMPOSE FINES WHEN NECESSARY

19. ASK THE FEDERAL GOVERNMENT TO MAKE ALL RENTAL UNITS BUILT PRIOR TO 1979 ELIGIBLE FOR ITS RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP)

20. REQUEST THE FEDERAL AND PROVINCIAL GOVERNMENTS TO REVIEW THEIR CURRENT ELIGIBILITY RULES FOR THE SPECIAL-NEEDS GROUP AND TO CONSIDER SPECIAL PROGRAM DESIGNED TO ASSIST THESE PEOPLE.

21. WORK WITH COMMUNITY GROUPS TO REACTIVATE THE CITY OF OTTAWA CHARITABLE FOUNDATION TO FURTHER DEVELOP SUPPORT SYSTEMS FOR THOSE WITH SPECIAL NEEDS.

22. CREATE A SINGLE DEPARTMENT OF HOUSING TO DEVELOP, COORDINATE AND IMPLEMENT ALL HOUSING AND DEVELOPMENT POLICIES WITHIN THE CITY.

23. INITIATE A SINGLE REGION-WIDE NON-PROFIT HOUSING CORPORATION WITH A PUBLIC/PRIVATE BOARD OF DIRECTORS TO OPERATE AND MANAGE ALL PUBLCLY OWNED PUBLICLY ASSISTED HOUSING UNITS IN THE OTTAWA-CARLETON REGION.